**DATE:** October 10, 2012

**TO:** INTERESTED PARTIES

**FROM:** Richard Galanti, EVP/CFO

**RE:** **Additional Fourth Quarter and Fiscal 2012 Information - Costco Wholesale Corporation**

The attached information is provided to address questions about Costco Wholesale's Fourth Quarter and Fiscal 2012 results (dollars in millions).

1. **Calculation of Diluted Earnings Per Share – see attached.**

2. **What was the effect of the Foreign Exchange rates for FY 2012? FY 2011? FY 2010?**

| | CANADA (CN $ vs. US $) | | | UK (Pound vs. US $) | | |
|---|---|---|---|---|---|---|
| **Exchange Rates** | **FY 2012** | **FY 2011** | **FY 2010** | **FY 2012** | **FY 2011** | **FY 2010** |
| 1st Quarter | .9891 | .9776 | .9370 | 1.5837 | 1.5795 | 1.6353 |
| 2ndQuarter | .9828 | .9982 | .9507 | 1.5606 | 1.5743 | 1.6159 |
| 3rd Quarter | 1.0060 | 1.0312 | .9794 | 1.5898 | 1.6261 | 1.5223 |
| 4th Quarter | .9886 | 1.0294 | .9606 | 1.5678 | 1.6245 | 1.5091 |
| **Total/YTD** | **.9914** | **1.0107** | **.9572** | **1.5748** | **1.6029** | **1.5659** |

| | JAPAN (YEN vs. US $) | | | KOREA (WON vs. US $) | | |
|---|---|---|---|---|---|---|
| **Exchange Rates** | **FY 2012** | **FY 2011** | **FY 2010** | **FY 2012** | **FY 2011** | **FY 2010** |
| 1st Quarter | .01300 | .01206 | .01104 | .00089 | .00088 | .00084 |
| 2ndQuarter | .01293 | .01206 | .01109 | .00088 | .00088 | .00087 |
| 3rd Quarter | .01231 | .01214 | .01088 | .00089 | .00091 | .00088 |
| 4th Quarter | .01264 | .01259 | .01128 | .00087 | .00093 | .00084 |
| **Total/YTD** | **.01271** | **.01224** | **.01109** | **.00088** | **.00090** | **.00086** |

| | TAIWAN (TI vs. US $) | | | MEXICO (PESO vs. US $) | | |
|---|---|---|---|---|---|---|
| **Exchange Rates** | **FY 2012** | **FY 2011** | **FY 2010** | **FY 2012** | **FY 2011** | **FY 2010** |
| 1st Quarter | .03336 | .03222 | .03086 | .0754 | .0797 | .0753 |
| 2ndQuarter | .03324 | .03387 | .03118 | .0740 | .0817 | .0777 |
| 3rd Quarter | .03391 | .03419 | .03153 | .0776 | .0842 | .0800 |
| 4th Quarter | .03349 | .03467 | .03122 | .0739 | .0845 | .0784 |
| **Total/YTD** | **.03350** | **.03381** | **.03120** | **.0751** | **.0826** | **.0779** |

| | AUSTRALIA (Ausie vs. US $) | | | Euro (Euro $ vs. US $) | | |
|---|---|---|---|---|---|---|
| **Exchange Rates** | **FY 2012** | **FY 2011** | **FY 2010** | **FY 2012** | **FY 2011** | **FY 2010** |
| 1st Quarter | 1.0226 | .9665 | .8919 | 1.3755 | 1.3539 | 1.4736 |
| 2ndQuarter | 1.0283 | .9949 | .9039 | 1.3102 | 1.3351 | 1.4389 |
| 3rd Quarter | 1.0487 | 1.0327 | .9139 | 1.3195 | 1.4159 | 1.3460 |
| 4th Quarter | 1.0184 | 1.0628 | .8729 | 1.2479 | 1.4305 | 1.2596 |
| **Total/YTD** | **1.0284** | **1.0180** | **.8939** | **1.3071** | **1.3874** | **1.3703** |

**3. What was the impact of LIFO in FY 2012? FY 2011? FY 2010?**

**LIFO Charge/(Benefit) (Pre-tax)**
**($MMs/% to Sales)**

| | Fiscal 2012 | Fiscal 2011 | Fiscal 2010 |
|---|---|---|---|
| 1st Quarter | $0/0% | $0/0% | $0/0% |
| 2nd Quarter | $2.5/.01% | $6/.03% | $0/0% |
| 3rd Quarter | $6.5/.03% | $49/.24% | $0/0% |
| 4th Quarter | $11.5/.04% | $32/.12% | $0/0% |
| **Total/YTD** | $20.5/.02% | $87/.10% | $0/0% |

**4. What was the impact of income tax rates in FY 2012? FY 2011? FY 2010?**

| | Fiscal 2012* | Fiscal 2011* | Fiscal 2010 |
|---|---|---|---|
| 1st Quarter | 40.80% | 34.21% | 36.06% |
| 2nd Quarter | 34.18% | 35.49% | 35.63% |
| 3rd Quarter | 34.84% | 36.11% | 34.48% |
| 4th Quarter | 35.58% | 35.27% | 36.10% |
| **Total/YTD** | 36.14% | **35.29%** | **35.61%** |

*Includes Mexico

**5. Breakdown of Total and Comparable Warehouse Sales Increases:**

| | FY 2012* | | FY 2011* | | FY 2010 | |
|---|---|---|---|---|---|---|
| | Total Sales | Comp. Sales | Total Sales | Comp. Sales | Total Sales | Comp. Sales |
| 1st Quarter | 13% | 10% | 11% | 7% | 6% | 3% |
| 2nd Quarter | 10% | 8% | 11% | 7% | 11% | 9% |
| 3rd Quarter | 8% | 5% | 16% | 12% | 12% | 10% |
| 4th Quarter | 14%(17wks) | 5% | 17% | 12% | 8% | 6% |
| **Total YTD** | **12%(53wks)** | **7%** | **14%** | **10%** | **9%** | **7%** |

*Includes Mexico

## 6. Warehouse Openings for FY 2012:

At the end of Fiscal 2012, the Company operated 608 warehouses, including 439 in the United States and Puerto Rico, 82 in Canada, 32 in Mexico, 22 in the United Kingdom, 13 in Japan, nine in Taiwan, eight in Korea, and three in Australia. The Company plans to open 14 new warehouses by the end of the calendar 2012.

| Date<br>First Qtr '12 | Location |
|---|---|
| 10/21/11 | Bucks County, PA |
| 10/22/11 | Frisco, TX |
| 10/27/11 | Pewaukee, WI |
| 11/16/11 | Augusta, GA |
| **Second Qtr '12** | **Location** |
| 12/09/11 | Yawata Kyoto, JP |
| 12/10/11 | Zama, JP |
| **Third Qtr '12** | **Location** |
| 02/24/12 | Tamasakai, JP (reopen) |
| 02/25/12 | Kobe Seishin, JP |
| 03/08/12 | Ancaster, ON (relo) |
| 03/15/12 | Pharr, TX |
| 05/02/12 | Huntington Beach, CA |
| **Fourth Qtr '12** | **Location** |
| 06/27/12 | Coralville, IA |
| 06/28/12 | Chicago (S. Loop), IL |
| 06/29/12 | Pittsfield Township, MI |
| 08/17/12 | Sarasota Square Mall, FL |
| 08/30/12 | Taoyuan, TW |
| 08/31/12 | Ulsan, KO |

| *Fiscal 2013 | Location |
|---|---|
| 10/19/12 | W. Edmonton, AB |
| 10/23/12 | West Fargo, ND |
| 10/24/12 | Baxter, MN |
| 10/25/12 | Spanish Fork, UT |
| 11/09/12 | Farragut, TN |
| 11/10/12 | Concordville, PA |
| 11/14/12 | East Peoria, IL |
| 11/15/12 | Sun Prairie, WI |
| 11/16/12 | Rochester, MN |
| 11/27/12 | Drummondville, QC |
| 11/28/12 | Oshawa, ON |
| 11/29/12 | Washington, DC |
| 12/01/12 | Leicester, UK |
| 12/15/12 | Gwangmyeong, KO |

***Planned openings before calendar 2012 year end**

**COSTCO WHOLESALE CORPORATION**
**ADDITIONAL Q4 FY 2012 QUARTER INFORMATION**
**CALCULATION OF DILUTED EARNINGS PER SHARE**
**(dollars in millions, except per share data)**

| **DILUTED EPS** | **Q1** (12 weeks) | **Q2** (12 weeks) | **Q3** (12 weeks) | **Q4** (17 weeks) | **YTD** (53 weeks) |
|---|---|---|---|---|---|
| Net income available to common stockholders used in basic and diluted net income per common share | $ 320 | $ 394 | $ 386 | $ 609 | $ 1,709 |
| Interest on convertible notes, net of tax | 0 | 0 | 0 | 1 | 1 |
| Net income available to common stockholders after assumed conversions of dilutive securities | $ 320 | $ 394 | $ 386 | $ 610 | $ 1,710 |
| SHARES (000's) | | | | | |
| Weighted average number of common shares used in basic net income per common share | 434,222 | 434,535 | 433,791 | 432,437 | 433,620 |
| Stock Options and RSUs | 5,520 | 4,094 | 4,532 | 5,077 | 4,906 |
| Conversion of convertible notes | 873 | 839 | 843 | 830 | 847 |
| Weighted number of common shares and dilutive potential of common stock used in diluted net income per share | 440,615 | 439,468 | 439,166 | 438,344 | 439,373 |
| Earnings Per Share - Diluted | $ 0.73 | $ 0.90 | $ 0.88 | $ 1.39 | $ 3.89 |